



# COMPETITION WATCH



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## Competition Council and VIPNet Receive National Recognition

The Commonwealth Competition Council and the Virginia Information Providers Network (VIPNet) were awarded the National Council for Public-Private Partnerships' 2000 award for their innovative public-private partnership in support of the public's interest. Competitive government and privatization information is available in many forms but none cover the entire process with tools and techniques to answer the "How do I...?" questions that abound in the analysis and decision making process.

Hence, the Commonwealth Competition Council, in partnership with Virginia Interactive, LLC (VIPNet), developed an **eGov** interactive web portal that helps business and government find answers to their most frequently asked questions about competitive government, privatization and public-private partnerships. It provides for the exchange of information on a 24x7 basis through the convenience of the Internet.

The web portal recorded 19,355 visitors during the month of November 2000. The visitors included both business and government's contacts from not only Virginia and across the United States but globally from 15 different countries.

The innovative Toolkit provides the government entrepreneur with the tools they need to achieve continuous improvement in productivity. This is a fact of life in government that is demanded by citizens today. A complete index of the available tools and information is at <http://www.vipnet.org/ccc> and must be viewed and used to understand the depth of information that is available. Additionally, the portal contains the commercial activities that Virginia government performs. The relational database format permits analysis by government and business to determine the optimum organizational structure.

Specific sites, such as the Best Practices of state government, incorporate Virginia state government best practices but have the capability to expand to local government. It captures best practices, which are accessible by several means. The unique "Dewey decimal" system, by agency or free search are three examples. Searchable access enables government employees at all levels to seek tested solutions for their problems.

The portal was achieved no cost to the Competition Council by using the structure of the Virginia Information Providers Network, a public-private partnership. It is a prime example of how government and the private sector can work together in the development, financing, ownership and operation of a public service.

The Competition Council web portal at <http://www.vipnet.org/ccc> represents the Competition Council's commitment to electronic government. The portal provides the tools and processes for government managers to facilitate their decisions in achieving continuous improvement. The government entrepreneur's **eGOV tool kit** emphasizes applications in a single site to enhance government value for the citizens that will withstand public scrutiny.

The Commonwealth Competition Council offers one-stop shopping for competitive government and public-private partnership information. It is designed for those individuals and organizations interested in how to successfully implement such projects. A prime example is Mayor George Ahmaogak, Sr., North Slope Borough, Alaska, using the information in the web portal to develop a privatization program for his municipal government.

### **Commonwealth of Virginia's Best Practices Database**

The Commonwealth Competition Council Best practices web site is a resource of "how-to" information to share among agencies and institutions. It will provide users with new, enhanced, or innovative solutions to improve their organizational performance. Best practices are simply superior methods or innovative practices that contribute to improved performance of the process.

The primary users of this system are the Commonwealth of Virginia government employees at all skills and organizational levels. However, as a web-based system it is used by governments throughout the United States as well as globally. User screens are simple, user-friendly and indexed to provide visitors multiple benchmarking sources through a "one-stop" location.

Many Virginia agencies and institutions submitted more than one best practice they considered worthy as a best practice that can be shared with other agencies and institutions of the Commonwealth. The best practices are verified and put on the Council web page according to their classification index. This permits a user of the information to search for a best practice in a specific area.

### **Commonwealth of Virginia's Commercial Activities**

The Competition Council's second new resource this fall is the **first state level inventory of commercial activities** prepared by a state government. This is a web database with full search capability to permit analysis by government, citizens, or the business community. The database lists the commercial activities performed by agencies and institutions to include the number of full-time equivalent positions involved in providing the service.

The Competition Council surveyed Virginia government to determine the number of commercial activities that Virginia state government engaged in as defined by the 1998 General Assembly. Commercial activities, as defined by Section §9-341 of the *Code of Virginia*, means performing services or providing goods which can normally be obtained from private enterprise. A full-time equivalent is defined as 1,776 productive work hours for an individual. It excludes non-productive time such as vacation, training, and sick leave, etc. Agencies can use this information to seek ways to evaluate the costs, benefits, and possible consequences of alternative strategies to determine the best way to accomplish their respective goals,

objectives, and mission.

The complete commercial activity inventory for Virginia (less the Department of Corrections, the Department of General Services and a few smaller agencies) can be found at <http://www.vipnet.org/ccv>.

### **Unique Public-Private Partnership Delivers School to D.C.**

The District of Columbia Public Schools (DCPS) has entered into a unique partnership with LCOR Incorporated to rebuild the James F. Oyster School. The new school will replace the deteriorating 73-year-old school in the Woodly Park neighborhood of Northeast Washington. LCOR will build the new school in exchange for excess land on which a new privately-owned 211-unit apartment building named the Henry Adams House, will be located.

The current school has a leaky roof, does not have a cafeteria or gym, and cannot be wired for computers. The new school will be twice the size of the old one and will have a gym, kitchen, cafeteria and common space.

A creative financing structure, made possible through the partnership, helped make the new school possible while realizing the value of an undervalued asset, the school's excess land. The new school is being financed by an \$11 million, 35-year tax-exempt bond issue underwritten by Paine Webber. The bonds will be retired by means of PILOT (Payment in Lieu of Taxes) payments made by the private owners of the Henry Adams House project. Under the unique PILOT program, the apartment building owners will make these payments in place of real estate taxes.

"The District of Columbia Public Schools had an asset they could not properly use without a venture of this sort," says Tim Smith, senior vice president of LCOR. The partnership has brought a much needed new school, as well as housing, to the D.C. area. Most importantly, the unique financing structure has brought these projects to fruition with little or no cost to the taxpayers. Truly a win-win situation.

D.C. school officials started out skeptical but eventually got behind the project when the benefits became obvious. Mary Filardo, former head of the Oyster PTA, told the Washington Times after she helped arrange the deal: "It is important for other communities to do what we have done."

### **Innovation in the Commonwealth Government Effectiveness Index: A Cross-State Survey (including Virginia)**

As states have gained increased authority and freedom to innovate over the past 20 years, the Pioneer Institute in Massachusetts has noted a growing interest in comparative effectiveness in how individual states deliver key services. The Institute has developed a Government Effectiveness Index (GEI) which seeks to assess how Massachusetts is doing in comparison to other states.

The GEI is designed to provide measures of effectiveness based on the efficient use of resources. This is defined as an input as a function of quality or output. It is also based on performance outcomes which define the quality of the output. The GEI evaluates eight-core functions of state government:

K-12 education • higher education • highways • transit • state police • the judiciary • corrections • financial management.

The GEI tests its model on a sample of six states: Massachusetts, Michigan, New Jersey, Ohio, Rhode Island and **Virginia**.

The Commonwealth of Virginia has strong ratings in several areas. The complete GEI is available on the Internet at <http://www.pioneerinstitute.org>.

### **Another Great Public-Private Partnership in Virginia**

The Department of General Services, Division of Purchase and Supply, has entered into a contract with American Management Services to develop a business to government web site, **eVA**, that connects state businesses with vendors. **eVA** is Virginia's total electronic procurement solution. The March 2001 debut will be preceded by previews at five locations across the Commonwealth in January.

The special networking lunches afford the opportunity to view the actual web site and learn how **eVA** can increase vendors' reach to state and local government business opportunities while offers push technology that can send additional information directly to a desktop computer. Details of the January programs are available at <http://www.eVA.state.va.us>.

**and the rest of the story...eVA** is a self-financing model developed as a public-private partnership. The suppliers will pay an annual registration fee as well as a small transition fee. The Commonwealth of Virginia and the private provider split the fees to pay for the costs. Look for **eVA** on a PC near you today. <http://www.eVA@state.va.us>

### **Privatized University Residence Halls**

In an effort to cut the costs of on-campus living, some universities have found a solution in the form of privatized residence halls. The residence halls are similar to apartments in their layout, and they typically have a kitchen in each unit instead of a common dinning hall. A private company in the business of running apartment buildings or hotels runs and maintains them for the university.

"It's the company's business—they run apartments for a living, they're more efficient," said Bob Lovitt, senior vice president of student affairs at the University of Texas at Dallas, with a student population of 11,000. Lovitt estimates that last year the university saved \$800,000 in management costs with residence hall privatization.

The privatized housing at UT Dallas has been in place since the university first started housing students in 1989, said Kim Winkler, UT Dallas dean of student life. "Privatizing residence halls could benefit anyone. It is not a smaller school or larger school issue."

One benefit of the privatized housing system is that a university can provide additional student housing without having to make a capital investment. The company hired to run the apartments builds and

maintains the property, while the university keeps a portion of the dorm rent.

UT Dallas is not the only school offering privatized dorms. At least 15 of 37 public universities in Texas have privatized housing, as do some of the universities in other states, including California, Florida, Oklahoma, and Tennessee.

According to *University Wire*, privatized residence halls are becoming a popular way of reducing costs to taxpayers, schools, and students at many colleges nationwide.

### **Privately Built Public School to Open in California**

The first California public school designed and built entirely by private developers is ready to open its doors. Although the developers missed their goal of opening in time for the new school year, Woodrow Wilson Elementary School in Corona was built in 13 months—a fraction of the three-plus years that it usually takes to build an elementary school, according to the Rancho Cucamonga-based Forecast Group.

The new 9.1-acre facility is the first California public school ever to be designed and built entirely by a developer rather than a school district. Supporters of privatizing school construction hope the project will set a new standard for school building.

Forecast is developing the 980-acre Eagle Glen master-planned community on the south side of Corona, including the school opened in November 2000. The project is adding up to 1,200 new homes to the area, requiring construction of a school to serve new residents.

The company developed the 44,820 square foot, \$7 million school, for the Corona-Norco Unified School District in the wake of California Senate Bill 50, a 1998 law that changed school construction financing rules.

Under the new law, residential developers are allowed to negotiate with school districts for the option of spending their state-mandated development fees directly on new school construction, rather than spending the money in a lump sum through government channels. The result, supporters say, is faster and more cost-effective school construction that will alleviate overcrowding more quickly.

The Commonwealth Competition Council web portal provides 24-hour support, 7 days a week, to individuals interested in entrepreneurial government and continuous improvement in their organizations. An e-Gov entrepreneur's toolkit is available to answer your questions and to provide assistance. <http://www.vipnet.org/ccc>